BRITISH COLUMBIA

BC STATS

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Current Statistics ◆ May 2006

- **British Columbia's economy continued to grow at a fast clip in 2005, with GDP increasing 3.5% (in chained 1997 dollars) during the year.** Alberta (+4.5%) was the only region to outpace BC last year. The Canadian economy expanded 2.9%. Despite BC's solid performance last year, GDP growth was not as strong as in 2004, when the economy expanded 4.0%.

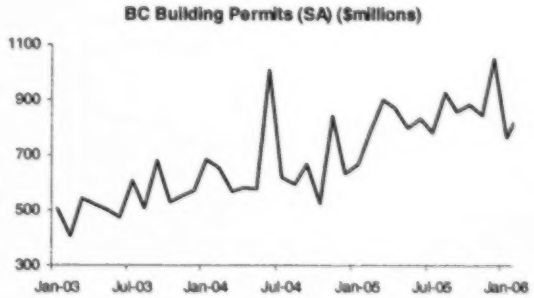
  Final domestic demand (total spending by consumers, businesses and governments) remained the main source of economic growth. Domestic demand advanced 4.8% in 2005, partly on the strength of an 8.5% increase in business investment. Businesses in the province spent 16.7% more on new machinery and equipment than in 2004, and residential investment was up a robust 8.6%. However, investment in non-residential structures slumped (-1.8%) for the second year in a row. Government investment in structures (+5.6%) and machinery and equipment (+7.3%) also provided a boost to the economy. Consumer spending advanced 4.6%, the strongest gain since 1989. Purchases of durable goods (+5.5%) and services (+5.3%) were particularly robust. Government spending on goods and services continued to increase at a slow pace (+1.5%).

  Export growth slowed to 2.9% from the 5.7% increase posted in 2004. However, the value of imported goods and services rose even more (+6.0%) as the province continued to purchase more goods and services from other regions than it sold to them.

  Data Source: Statistics Canada

- **The value of building permits issued by BC municipalities advanced 20.3% (*seasonally adjusted*) in March, following a solid increase in February.** The residential sector (+30.7%) was the leading factor in the planned increase in spending. Non-residential building permits remained relatively flat (+0.6%) with increases in permits issued for institutional and government building construction (+10.2%) offsetting declines in both the commercial (-1.3%) and industrial (-14.5%) sectors.

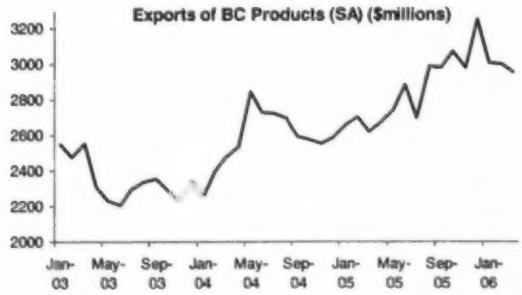
  In Vancouver, permits jumped 37.4% in March on the strength of its booming housing sector. However, building intentions in Abbotsford were down a significant 21.5% after a similar decline in February. Permits slipped 1.8% in Victoria.



- **Exports of BC products slipped (-1.5%, *seasonally adjusted*) in March, posting the third consecutive monthly loss.** A 14.7% slump in exports of energy products drove overall exports down, despite increases in all other major commodity groups. Shipments of forest products remained fairly flat (+0.1%). Exports to the US fell 4.6%, also largely due to a decline in the value of energy shipments (-22.5%), although shipments of agriculture and fish products (-3.5%) and forest products (-0.5%) also dropped. Exports to other destinations were up 4.2%, reflecting upturns across all major commodities, except energy products (-0.2%).

  Canadian exports increased 1.1% in March. Shipments to the US remained flat (0.0%), while exports to Japan (+19.3%) and the

European Union (+11.1%) strengthened. An expansion in machinery and equipment exports (+8.1%) accounted for most of the increase, but shipments of agricultural and fishing products (+3.1%) were also up. Exports of energy (-0.3%), forestry (-0.8%) and automotive (-2.0%) products were down from February levels. *Data Source: Statistics Canada*



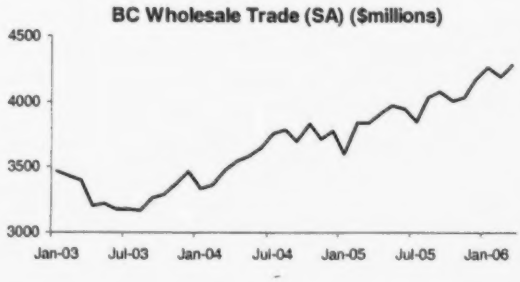
- **The number of housing starts in the province dipped 3.8% (seasonally adjusted) in April, following a relatively flat March (+0.2%). BC was one of seven provinces to see a slowdown in housing projects.** Saskatchewan (+9.7%), New Brunswick (+37.5%) and PEI (+40.0%) were the only provinces to see more housing starts last month than in March. Canadian starts were down 13.3%. *Data Source: CMHC*

- **British Columbia's year-over-year inflation rate stood at 1.8% in April, the same as in March (+1.8%).** The increasing cost of energy products (+7.0%) continues to put inflationary pressure on the economy, contributing a full half of a percentage point to the overall Consumer Price Index (CPI). Excluding energy, the inflation rate was 1.3%. Transportation costs have risen 4.4% in the last year, largely due to soaring prices for gasoline (+11.3%); public (+7.2%) and private (+4.0%) transportation were both affected. Consumers are paying more for fuel oil (+4.9%) and piped gas is 4.2% more expensive; however, the relative stability in the price of electricity (+0.5%) helped moderate the inflation in the cost of shelter (+2.6%). The cost of food climbed only 0.8% and prices for household furnishings (-2.8%) and clothing (-0.6%) were both down from April last year.

  The cost of services (+2.3%) has climbed faster than that of goods (+1.1%) over the last year. Health and personal care was more costly (+2.0%) as was tuition (+2.9%), though British Columbians enjoyed lower prices for recreational equipment and services (-5.8%). *Data Source: Statistics Canada*

- **Sales by retailers in the province rose 0.7% (*seasonally adjusted*) in March, after dipping (-0.2%) in the previous month.** Retailers of automotive products and furniture, household furnishings and electronics made solid gains while clothing retailers and building and outdoor home supply stores posted more modest growth. However, other retailers did not fare as well. Sales by general merchandisers were flat, and food and drug stores rang up smaller totals in March. Sales were up in most parts of the country, rising 1.5% overall. The biggest gain was in Ontario, where sales jumped 2.9% after slumping (-2.2%) in the previous month. *Data Source: CMHC*

- **Wholesale sales increased 2.3% (*seasonally adjusted*) in March, posting the fourth gain in five months.** Recent increases have mostly been attributable to the building materials and the machinery and electronic equipment sectors. Nationally, wholesale sales edged up 0.8%, with five provinces recording gains. The strongest sales growth in March was in Alberta (+2.3%) and BC. *Data Source: Statistics Canada*



MONTHLY STATISTICS

	UNITS	REFERENCE PERIOD	CURRENT			MONTHLY AVERAGE YEAR-TO-DATE	
			LATEST MONTH	% CHANGE FROM LAST MONTH	% CHANGE FROM YEAR AGO	AMOUNT	% CHANGE FROM YEAR AGO
PRICES							
Consumer Price Index-BC	1992=100	Apr '06	127.1	0.6	1.8	126.2	1.7
Consumer Price Index-Vancouver	1992=100	Apr '06	127.6	0.6	1.8	126.6	1.5
Consumer Price Index-Victoria	1992=100	Apr '06	127.3	0.7	1.8	126.4	1.8
Consumer Price Index-Canada	1992=100	Apr '06	130.0	0.5	2.4	129.2	2.4
Consumer Price Index-USA	1982-84=100	Apr '06	201.5	0.9	3.5	199.6	3.6
Industry Price Index-Canada	1997=100	Mar '06	112.3	0.8	1.1	111.9	1.4
LABOUR							
Unemployment Rate (SA)*-BC	Percent	Apr '06	4.5	(4.4)	(6.1)	4.7	(6.5)
Unemployment Rate (SA)-Canada	Percent	Apr '06	6.4	(6.3)	(6.8)	6.4	(6.9)
Unemployment Rate (SA)-USA	Percent	Apr '06	4.7	(4.7)	(5.1)	4.7	(5.2)
Unemployed (SA)-BC	Thousand	Apr '06	102.9	1.1	-24.9	107.9	-26.7
Employed (SA)-BC	Thousand	Apr '06	2,192.8	0.2	3.6	2,181.2	3.5
Labour Force (SA)-BC	Thousand	Apr '06	2,295.7	0.2	1.8	2,289.0	1.6
Participation Rate (SA)-BC	Percent	Apr '06	65.6	(65.6)	(65.7)	65.6	(65.8)
Regular EI Benefits Paid	$Million	Feb '06	71.5	-21.5	-15.1	81.3	-14.5
Regular EI Beneficiaries	Persons	Feb '06	56,450	-6.1	-17.2	58,280	-17.6
Average Weekly Wage Rate-BC	Dollars	Apr '06	720.63	0.3	2.9	719.03	2.3
Wages and Salaries-BC (SA)	$Million	Dec '05	6,282.6	1.1	7.7	6,037.3	6.1
Fixed-Weighted Earnings Index-BC	1996=100	Feb '06	118.6	1.2	3.9	117.9	3.4
PRODUCTION-B.C.							
Lumber-Cubic Metres	Thousand	Mar '06	3,783.6	9.2	9.6	3,690.0	7.0
Market Pulp Shipments-Tonnes	Thousand	Mar '06	388	-7.2	-2.5	411	6.4
Newsprint Shipments-Tonnes	Thousand	Mar '06	98	10.1	2.1	91	0.7
Other Paper Shipments-Tonnes	Thousand	Mar '06	182	22.1	20.5	160	5.0
Oil-Cubic Metres	Thousand	Jan '06	139.1	-1.1	-8.9	139.1	-8.9
Natural Gas-Cubic Metres	Million	Aug '05	2,987.0	4.5	20.9	2,790.3	6.5
Electric Power Generated	GW.h	Feb '06	5,157.4	-6.3	-4.9	5,331.5	-10.4
Manufacturing Shipments (SA)	$Million	Mar '06	3,800.8	1.3	5.8	3,808.8	6.0
GENERAL							
Housing Starts-All Areas BC(SAAR)**	Thousand	Apr '06	40.5	-4.0	30.6	40.1	27.7
Housing Starts-USA (SAAR)**	Thousand	Apr '06	1,849.0	-7.4	-11.1	2,061.0	-0.5
Building Permits-BC (SA)	$Million	Mar '06	1,023.8	20.3	14.0	879.4	12.3
Residential-BC (SA)	$Million	Mar '06	728.5	30.7	41.2	603.7	18.6
Non-Residential-BC (SA)	$Million	Mar '06	295.3	0.6	-22.7	275.8	0.8
Retail Sales (NAICS) (SA)-BC	$Million	Mar '06	4,345.6	0.7	5.4	4,328.9	6.8
Wholesale Trade (NAICS) (SA)-BC	$Million	Mar '06	4,282.3	2.3	11.6	4,243.1	12.9
Tourism Room Revenues (SA)-BC	$Thousand	Jan '06	144,864	-2.0	7.0	144,864	7.0
Business Bankruptcies-BC	Number	Mar '06	65	3.2	-12.2	63	-3.6
Consumer Bankruptcies-BC	Number	Mar '06	707	7.9	-4.7	648	-11.9
Incorporations-BC	Number	Mar '06	2,879	10.6	17.5	2,653	16.8
Exports Originating in BC (SA)	$Million	Mar '06	2,955.4	-1.5	12.7	2,989.1	12.2

May 25, 2006

*SA indicates seasonal adjustment.

**SAAR indicates seasonally adjusted at annual rates.

Brackets () indicate that rates are shown instead of percentage changes.

ANNUAL STATISTICS

	UNITS	YEAR 2005	YEAR 2004	YEAR 2003	PERCENT CHANGE 2004-2005	PERCENT CHANGE 2003-200
PRICES						
Consumer Price Index-BC	1992=100	125.3	122.8	120.4	2.0	2.0
Consumer Price Index-Vancouver	1992=100	125.7	123.4	121.0	1.9	2.0
Consumer Price Index-Victoria	1992=100	125.5	122.8	120.0	2.2	2.3
Consumer Price Index-Canada	1992=100	127.3	124.6	122.3	2.2	1.9
Consumer Price Index-USA*	1982-84=100	195.3	188.9	184.0	3.4	2.7
Industry Price Index-Canada*	1997=100	111.1	109.5	106.2	1.5	3.1
LABOUR						
Unemployment Rate-BC	Percent	5.9	7.2	8.0		
Unemployment Rate-Canada	Percent	6.8	7.2	7.6		
Unemployment Rate-USA*	Percent	5.1	5.5	6.0		
Unemployed-BC	Thousand	132.9	159.2	176.0	-16.5	-9.5
Employed-BC	Thousand	2,130.5	2,062.7	2,014.7	3.3	2.4
Labour Force-BC	Thousand	2,263.4	2,221.9	2,190.7	1.9	1.4
Participation Rate-BC	Percent	65.6	65.5	65.6		
Total EI Benefits Paid-BC*	$Million	1,650.3	1,764.0	1,831.3	-6.4	-3.7
Regular EI Benefits Paid-BC*	$Million	837.4	960.4	1,059.5	-12.8	-9.4
Average Weekly Wage Rate-BC	Dollars	704.49	686.74	683.68	2.6	0.4
Wages and Salaries-BC*	$Million	72,447.8	68,264.7	65,310.1	6.1	4.5
Fixed-Weighted Earnings Index-BC*	1996=100	115.9	112.9	108.5	2.7	4.1
PRODUCTION-B.C.						
Lumber-Cubic Metres*	Thousand	41,012.9	39,879.3	36,030.9	2.8	10.7
Market Pulp Shipments-Tonnes*	Thousand	4,932	4,724	4,762	4.4	-0
Newsprint Shipments-Tonnes*	Thousand	1,076	1,135	1,186	-5.2	-4.3
Other Paper Shipments-Tonnes*	Thousand	1,877	1,841	1,733	2.0	6.2
Coal-Tonnes*	Thousand	25,571.0	27,082.0	23,061.0	-5.6	17.4
Oil-Cubic Metres*	Thousand	1,750.8	2,019.0	2,168.2	-13.3	-6.9
Natural Gas-Cubic Metres*	Million	NA	31,201.3	29,483.4	NA	5.8
Electric Power Generated*	GW.h	67,627.3	60,495.6	63,050.9	11.8	-4.1
Solid Mineral Production	$Million	NA	2,860.4	2,863.6	NA	-0.1
Farm Cash Receipts**	$Million	2,531.1	2,407.5	2,285.2	5.1	5.3
Manufacturing Shipments*	$Million	43,009.7	42,343.6	37,243.1	1.6	13.7
GENERAL						
Housing Starts-All Areas BC**	Thousand	34.7	32.9	26.2	5.3	25.8
Housing Starts-USA	Thousand	2,064.7	1,955.8	1,847.7	5.6	5.9
Building Permits-BC*	$Million	10,191.1	7,938.7	6,394.2	28.4	24.2
Residential-BC*	$Million	6,979.0	5,868.9	4,514.2	18.9	30.0
Non-Residential-BC*	$Million	3,212.1	2,069.8	1,880.1	55.2	10.1
Retail Sales (NAICS)-BC*	$Million	49,914.5	47,216.6	44,421.0	5.7	6.3
Wholesale Trade (NAICS)-BC*	$Million	47,277.0	43,521.2	39,658.9	8.6	9.7
Tourism Room Revenues-BC*	$Thousand	1,690.1	1,592.2	1,486.7	6.2	7.1
Business Bankruptcies-BC	Number	786	921	1,002	-14.7	-8.1
Consumer Bankruptcies-BC	Number	8,173	8,378	9,385	-2.4	-10.7
Incorporations-BC*	Number	28,593	25,428	23,243	12.4	9.4
Exports Originating in BC*	$Million	34,275.2	30,977.6	28,189.3	10.6	9.9
Capital Expenditures-BC	$Million	32,256.7	29,664.7	25,434.1	8.7	16.6
Population-BC (as of July 1)	Thousand	4,254,522	4,201,867	4,154,591	1.3	1.

May 25, 2006

* derived from monthly figures

**derived from quarterly figures

ECONOMIC PERFORMANCE

GROSS DOMESTIC PRODUCT ($ MILLIONS)

	YEAR				PERCENT CHANGE		
	2005	2004	2003	2002	04-05	03-04	02-03
BRITISH COLUMBIA							
Gross Domestic Product at Market Prices	168,011	157,241	145,948	138,252	6.8	7.7	5.6
Real Gross Domestic Product (chained 1997 $)	144,028	139,205	133,888	130,324	3.5	4.0	2.7
CANADA							
Gross Domestic Product at Market Prices	1,368,726	1,290,185	1,216,191	1,154,204	6.1	6.1	5.4
Real GDP at Market Prices (chained 1997 $)	1,157,446	1,124,428	1,092,388	1,070,789	2.9	2.9	2.0
UNITED STATES (Billions $US) **							
Gross Domestic Product at Market Prices	11,734.3	10,971.2	10,469.6	10,128.0	7.0	4.8	3.4
Real GDP at Market Prices (chained 2000 $US)	10,755.7	10,320.6	10,048.8	9,890.7	4.2	2.7	1.6

*** US Department of Commerce (actual)*

INTEREST AND EXCHANGE RATES

(Source: Bank of Canada Weekly Financial Statistics)

	May 24/06	May 17/06	April 26/06	May 25/05
	PERCENT PER ANNUM			
CANADA				
Prime Business Rate	6.00	5.75	5.75	4.25
Bank Rate	4.50	4.25	4.25	2.75
Long-Term Government Bond Rate (over 10 yrs)		4.46	4.59	4.41
Conventional Mortgages-1 Year		6.25	6.25	4.85
-5 Years		6.75	6.75	5.95
UNITED STATES				
Prime Rate	8.00	8.00	7.75	6.00
EXCHANGE RATES (average noon)	CANADIAN $			
US Dollar	1.1229	1.1090	1.1344	1.2640
Japanese Yen	0.0100	0.0101	0.0098	0.0117
British Pound	2.0971	2.0900	2.0245	2.3145
Euro	1.4313	1.4219	1.4048	1.5928

FORECASTS

	2006			2007		
	REAL GDP % CHG	UNEMP RATE %	CPI % CHG	REAL GDP % CHG	UNEMP RATE %	CPI % CHG
BRITISH COLUMBIA						
B.C. Government (Feb.21/06 Budget & Fiscal Plan)	3.3	5.7	2.2	3.1	5.6	2.1
Credit Union Central BC (January 2006)	3.7	5.0	2.1	3.7	4.4	2.2
TD Bank (February 17, 2006)	3.5	6.0	1.4	3.2	5.5	1.7
CIBC WM Economics (February 9, 2006)	4.1	5.2	1.7	3.4	4.8	2.0
Global Insight (April 2006)	3.7	5.3	1.7	3.1	5.2	1.9
CANADA						
TD Bank (March 22, 2006)	3.0	6.6	1.5	2.5	6.7	1.6
CIBC WM Economics (March 6, 2006)	2.9	6.6	1.9	2.4	6.8	2.3
Global Insight (April 2006)	3.2	6.4	1.7	2.6	6.4	1.5
UNITED STATES						
TD Bank (March 22, 2006)	3.3	4.9	2.5	2.6	5.5	2.0
CIBC WM Economics (March 6, 2006)	3.3	5.0	2.8	2.5	5.2	2.9
Global Insight (April 2006)	3.3	4.7	2.6	2.6	4.9	1.6

May 25, 2006